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Tuesday, Oct. 17, 2017



## TODAY'S EDITORIAL

### AMAZON - It's 2017 and we need to play to win

**CBC Editorial:** Tuesday, Oct. 17, 2017; Editorial # 8224  
*The following is the opinion of Capitol Broadcasting Company*

The Triangle Business Journal recently included a [special report on the recruitment of Amazon "HQ2"](#) to North Carolina. When it comes to attracting new businesses or expanding current businesses [Art Pope -- the ex-state budget director who is chairman of Variety Wholesalers -- told the TBJ](#) that families and businesses "who have been paying taxes in North Carolina for decades" should not have to subsidize the relocation of a major company – "especially if they're going to compete with them."

Meanwhile across the state – the Triangle, Triad and Charlotte – are pondering how best to position themselves to lure "HQ2" – online retail giant Amazon's proposed 2nd headquarters that boasts a \$4 billion investment, 50,000 jobs and 8 million square feet of facility space. The competition is fierce and nationwide.

If you ask the General Assembly and the North Carolina Chamber of Commerce they will say that low corporate income taxes, low wages, and no unions are all that the state needs to be successful. They are betting our future on that notion.

That model may have worked in the 1920s to lure textile mills and other manufacturers, but not a century later. In Amazon's search criteria, taxes are a low-tier consideration. The word "tax" doesn't appear until the sixth page of [Amazon's eight-page request for proposals](#).

Most important to Amazon, and many new and expanding companies these days, are an available high-quality and diverse workforce, quality of life, educational opportunities and infrastructure investment plans. North Carolina enjoys and offers economic prospects these benefits, but it also takes incentives to land companies like Amazon. Not the largest, but a competitive incentives proposal.

Reasonable incentives are not giveaways – they are best viewed as investments that should be measured in terms of the return they're likely to produce. It's called ROI. The incentives that North Carolina offers, such as tax credits for jobs created, are only awarded AFTER the company shows the jobs are in place and workers hired. Further, they aren't just for companies that want to come into the state, they are also available to companies in North Carolina looking to expand.

Recent history shows when North Carolina doesn't compete, it does lose. Failure to provide a competitive incentives package resulted in Continental Tire (already committed to coming to the state) taking a 1,400-job expansion to South Carolina instead of southeastern North Carolina four years ago. Two years ago Mercedes-Benz USA picked Atlanta for its corporate headquarters over an RTP location. Then Gov. Pat McCrory and the legislature could never get together on an incentives package for Mercedes – probably the worst failure in state economic development history.

Overall, says N.C. State economist Mike Walden, the Triangle economy could see a big boost – as much as \$52 billion more annually when the Amazon project is fully implemented. "I would expect Amazon's economic benefits in jobs, incomes and economic growth for the state to exceed the cost of targeted tax reductions and forgiveness," Walden said.

Art Pope provides a neat ideological package but it completely ignores the real world we live in. The key to a prosperous future is making the right investments to keep the economy growing. You don't sit around and hope good things will happen. You evaluate the competition and put together a package that can win.

Reasonable performance based incentives are great investments for North Carolina citizens.

And believe it or not, competition makes us all better.



TUESDAY, OCT. 17, 2017 -- A roundup of opinion, commentary and analysis on one retired N.C. executive's Amazon HQ2 pitch, a temporary stay in the battle over power of our state's schools, the latest on the legal process for last summer's Outer Banks power outage and more.

#### **POLITICS & POLICY**

##### **ERIK SPANBERG: Hugh McColl lobbies Jeff Bezos, worries HB2 hurts**

**HQ2 pitch** (*Charlotte Business Journal* analysis) -- The retired Bank of America executive referred to his previous experience running an industry titan, telling Amazon's founder his bank flourished here because of quality of life for employees.

**TRAVIS FAIN: Legislature stonewalls Cooper appointments; leaders won't act until January** (*WRAL-TV* analysis) -- The administration has appointments that require legislative confirmation pending from as far back as late April, but the Republican-controlled General Assembly let them slide as they came in and out of session the last several months.

##### **LAURA LESLIE: Senate override veto so it can block judicial primary**

**elections** (*WRAL-TV* analysis) -- The state Senate voted Monday night to override Gov. Roy Cooper's veto of a measure that would cancel all judicial primary elections in 2018.

**STEPHANIE CARSON: NC Lawmakers Expected to Make Big Changes to Election Law** (*Public News Service*) -- It was a late night for the N.C. Senate

eliminate judicial primary elections in 2018, among other things. If the Electoral Freedom Act (SB 656) becomes law, it would allow judges to be elected with much less than the majority vote. Dawn Blagrove, attorney and executive director of the Carolina Justice Policy Center explains how that might impact next year's ballot.

**D.G. MARTIN: Taking Moral Mondays to the rest of the country** (*Winston-Salem Journal column*) -- Is the Rev. William Barber, leader of North Carolina's Moral Monday protests, going to take the movement to the rest of the country?

**MARK LANDLER: Trump Says, Falsely, That Obama Ignored Families of the Fallen** (*New York Times analysis*) -- President Trump's assertion belied a long record of meetings his predecessor, Barack Obama, held with the families of killed service members, as well as calls and letters.

**Walker's tax idea protects charities** (*Greensboro News & Record*) -- U.S. Rep. Mark Walker is all for President Donald Trump's tax-reform plan — almost.

**ANDREW DUNN: Charlotte is having trouble recruiting, holding on to police officers** (*Charlotte Agenda column*) -- As homicide numbers barrel toward levels not seen since the 90s, Charlotte's police force is battling another intractable problem — difficulty recruiting and retaining its officers. The Charlotte-Mecklenburg Police Department currently has 138 vacant officer positions that it's trying to fill, according to city data. That's roughly 7 percent of the 1,900 officer positions in the department.

**JIM SHAMP: If OK'd, BASF-Bayer Crop Science deal will reshape RTP agtech scene** (*WRAL-TV/TechWire column*) -- "BASF is investing in a world-class facility with world-class talent able to continue their innovation focus on providing solutions to the grand challenges we have in agriculture," says N.C. Biotech Center executive Scott Johnson.

## **EDUCATION**

**KELLY HINCCLIFFE: NC Supreme Court grants stay in state board, superintendent lawsuit** (*WRAL-TV analysis*) -- The N.C. Supreme Court granted the State Board of Education's motion for a temporary stay in its lawsuit against State Superintendent Mark Johnson. The stay, which is in effect until further notice from the NC Supreme Court, prevents Johnson from taking control of the state's public school system and acquiring powers granted to him by House Bill 17, passed during a special session of the General Assembly last year.

**CULLEN BROWDER: Accrediting agency won't reopen investigation into UNC 'paper classes'** (*WRAL-TV analysis*) -- The Commission on Colleges of the Southern Association of Colleges and Schools, the accrediting body for UNC-Chapel Hill has reviewed the NCAA's findings against UNC and did not find anything there that would prompt another investigation.

**MELISSA KORN: Welcome to High School. Now Go to College.** (*Wall Street Journal analysis*) -- Dual-enrollment programs, in which high school students take college classes, are gaining steam despite little research into long-term

## **ENERGY & ENVIRONMENT**

**JEFF HAMPTON: Court consolidates 6 lawsuits over 8-day Outer Banks power outage** (*Norfolk Virginian-Pilot analysis*) -- A federal court has combined six lawsuits into one action against Bonner Bridge builders PCL Construction over an eight-day midsummer power outage. The claims are brought by Outer Banks residents, businesses and tourists affected by the outage that began July 27 when PCL accidentally cut the lone power line to Hatteras Island.

**MICHELLE WAGNER: What's next after OBX bag ban repeal?** (*Outer Banks Sentinel analysis*) -- Now that the controversial repeal of the plastic bag ban on the Outer Banks has officially become law, local officials and organizations are left to consider what, if anything, they can do to mitigate the effects of its reversal.

**JOHN DOWNEY: Opponents continue to fight Atlantic Coast Pipeline after fed approval** (*Charlotte Business Journal analysis*) -- Leading environmental groups ultimately will likely appeal the federal order approving the \$5 billion Atlantic Coast Pipeline. But for now, they are turning to state permit proceedings to delay or block the natural gas project.

**JENNIFER ALLEN: Coastal Park Trails Offer Nature Connection** (*Coastal Review column*) -- State Parks and the Croatan National Forest offer hikers miles of trails through a variety of habitats, from maritime forests to sand dunes, and the chance to learn some history and get a glimpse of rare plants or endangered critters.

## **HEALTH**

**Health insurance train wreck on the way** (*Fayetteville Observer*) -- Obamacare won't become Nobamacare overnight. But when President Trump issued an executive order last week to cut off federal subsidies for policies purchased through the Affordable Care Act, he set in motion what could become a health-care train wreck. Or perhaps he lit a fire under Congress that will lead to the better health insurance program he promised. We're not optimistic about that last option,

**How Congress and special interest money fueled the opioid epidemic** (*Charlotte Observer*) -- Between 2014 and 2016, the drug industry spent \$106 million lobbying Congress for a law that makes it virtually impossible for the DEA to freeze suspicious narcotic shipments from the companies. By the time the law passed last year, about 200,000 Americans had lost their lives due to opioid overdoses. The number of deaths has risen every year since 2000.

**TAYLOR KNOPF: For 11-year-old in ER, The Wait for a Psych Bed is 10 Days** (*N.C. Health News analysis*) -- For more than 250 hours in the UNC Emergency Department, Liam Harrison waited for an inpatient bed to open at one of North Carolina's few psychiatric facilities. Maybe today will be the day he gets one.

**The fight against breast cancer continues** (*Winston-Salem Journal*) -- The fight goes on. By now, you have your paper with that pink front page, part of our

Breast Cancer Awareness Month.

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